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MEMORANDUM FOR: Deputy Director of Central Intelligence

FROM:

Director, Foreign Broadcast Information Service

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SUBJECT: Discussions on Future of Hong Kong

This memorandum responds to your request for a report on discussions I had in Hong Kong recently on the future of the crown colony and the possible impact on FBIS operations there. The discussions were held with a number of officials in the U.S. Mission on 12-16 November 1982 as part of my TDY visit to the FBIS bureau.

1. Nearly all of the officials I met said that they believe that at some point the Peking Government will take over direct administration of Hong Kong and will not be satisfied merely with establishing sovereignty over the colony. Once administration control passes to the Chinese, and possibly before, the judgment is that U.S. and UK security-related organizations will be invited to leave Hong Kong. This includes the FBIS bureau. The following were the principal people who expressed this view to me, with slight variations:

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There seems to be agreement that the U.S. would receive ample notice before we are forced to remove intelligence activities.

2. The only person who expressed a strongly different view was Bert Levin, the consul-general. Levin said he is optimistic about the future status of Hong Kong because he does not foresee major changes in the way Hong Kong is administered. His view is that Peking realizes it should not jeopardize the great financial benefits it receives from Hong Kong, so the Chinese will be satisfied merely to establish clear sovereignty over the colony without demanding administrative control. He thinks that British-Chinese negotiations will eventually result only in minor variations. For example, he stated that FBIS could well continue to operate indefinitely. He admits that his conclusion is based largely on a "gut feeling."

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3. All of the publicity accompanying Prime Minister Thatcher's talks with Peking about the future of Hong Kong have obviously aroused serious questions and public concern about its eventual status. The present 99-year lease on the new territories expires in 1997, but several people commented that the date has little meaning to the present Chinese Government, since Peking does not recognize the validity of the terms under which Hong Kong was ceded to the UK nor the lease. In any event, it was argued that Peking would move to put its people in place in the Hong Kong Government and make other changes well before 1997. All of the people I talked to said that a major problem is that the British in Hong Kong refuse to share with the U.S. any information on the status of negotiations.

4. One of the problems FBIS already faces is the impact of the political uncertainty on the morale of our foreign national employees in the Hong Kong Bureau. They are worried that they will be forced to leave whenever the Chinese choose to make an issue of FBIS' presence. This is especially worrisome for a number of the [] locals who left China earlier. During my visit the senior monitor representing the local staff made a strong plea to me for assurances that FBIS would "guarantee" the safety and employment of the foreign nationals.

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5. If FBIS is forced out of Hong Kong, there would be some losses both in terms of press scrutiny and in regional Chinese radio coverage. The Chinese papers are available in Hong Kong virtually the same day they appear in China, which would not be the case if the press were processed by FBIS in Bangkok, Singapore, or some other Asian capital. To compensate for lost regional radio coverage, FBIS would have to add Chinese (Mandarin) capability in Bangkok, Seoul, and Okinawa to pick up some of the coverage, but some radios would be lost entirely. Chinese television coverage now being done at Hong Kong would be lost if we were forced from Hong Kong anytime soon, []

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